

things to try to preserve some funding for renewable energy. We have an energy issue that is very compelling in this country. We need to stimulate more renewable energy, so we are trying to keep the accounts which do that intact. We have tried to find the funding to preserve the Office of Science, which is the cutting-edge science that keeps us competitive in the world. That office would have had to lay off people had we not made some adjustments there. In the energy supply and conservation account, which is ongoing and very important, we have made some adjustments.

The fact is, we have tried to find a way to address the mess we were left. We are doing it the best way we can. I believe the best approach is to pass this continuing resolution. It is true there are no so-called earmarks or what is, in effect, legislative-directed spending. But it is also the case that adjustments have been made in a number of areas, including the energy and water accounts, that will try to remedy some of the otherwise very significant changes, in some cases catastrophic changes to the issues we care a lot about—energy independence, energy conservation, renewable energy, science, and so many other areas.

I am pleased to support this continuing resolution. I wish we were not doing it this way. If I had my druthers, we would have passed the appropriations bills last year on time. That did not happen. So we are now faced with this mess of fixing a mess that was created by last year's majority. We do not have a choice. We have to do that. The Government would shut down if the funding were not available for the agencies, so we have a responsibility, and we will meet that responsibility.

ACCOUNTABILITY IN GOVERNMENT CONTRACTING

Mr. DORGAN. Mr. President, I also rise to talk about a piece of legislation dealing with contracting. The Federal Government is the largest contractor in the world. The U.S. Federal Government contracts for a lot of things. I am going to be introducing a piece of legislation that is entitled the Honest Leadership and Accountability in Contracting Act. There are some 23 Senators who have joined me as cosponsors on that bill, and I will return to the floor to speak about this later in the week. But I wish to talk a little today about what this means and why we are introducing it.

I held 10 oversight hearings in the Democratic policy committee, as chairman of that committee, on the issue of contracting abuses in Iraq. I held two oversight hearings on the issue of contracting abuses with respect to the response to Hurricane Katrina. We have put together, as a result of the abuses we have seen with this contracting, a piece of legislation which will do the following: It will punish those who are war profiteers. And

there are some. It will crack down on contract cheaters. No more of this slap on the wrist, pat on the back, have another contract. It will force real contract competition for those who want to do contract work for the Federal Government. And it will end cronyism in key Government positions—having unqualified political appointees put in positions that require people who know what they are doing.

Let me talk about some of the things we have found. I do this knowing, last week, there were some oversight hearings on the House side chaired by Congressman WAXMAN. I commend him. There has been a dearth of oversight hearings, almost none in the last couple of years—I guess the last 5 or 6 years, actually—because a majority of the same party as the President do not want to hold hearings that embarrass anyone. So there have been very few oversight hearings. But the hearing held this past week in the House that caught my eye is one that followed a hearing I held in the Senate with the policy committee. They talked about the fact that \$12 billion in cash—most of it in stacks of one-hundred-dollar bills—had been sent to Iraq; 363 tons of U.S. cash currency flown in on wooden pallets on C-130 airplanes. That would be, by the way, 19 planeloads of one-hundred-dollar bills; 363 tons.

Nearly half of that cash was sent in the final 6 weeks before control of the Iraqi funds were turned over to the Iraqi Government. These were Iraqi oil funds, funds with frozen Iraqi assets here in the United States. The last shipment of \$2.4 billion was the largest shipment. It was the largest shipment ever in the Federal Reserve Board's history. And that was 1 week before the government was turned over to the Government of Iraq.

Cash payments were made from the back of a pickup truck. One official was given \$6.75 million in cash and told to spend it in 1 week, before the interim Iraqi Government took control of the funds.

I had a person testify at my hearing who said it was similar to the Wild West. Our refrain was bring a bag because we pay in cash. That is the way we do business.

In fact, I have a photograph of a fellow who testified at the hearing I held. These are one-hundred-dollar bills wrapped in Saran Wrap in brick form. This was in a building in Iraq. This is the fellow who testified. He said people used to play catch with them like football. He said it was the Wild West. Bring a bag, we pay in cash.

We know a substantial amount of cash disappeared—some American taxpayer money, some belonging to the people of Iraq—with almost no accountability.

I wish to talk about accountability. If there was a lack of accountability—and there certainly was, with respect to what happened in Iraq and also here at home with Katrina—what will be the accountability going forward? How

do we ensure accountability? How do we ensure that someone is in charge going forward?

Let me talk about Halliburton and Kellogg, Brown and Root, its subsidiary. I know the minute you mention Halliburton, someone says you are criticizing the Vice President. No. He used to be president of that company. He has been gone a long while. This has been Halliburton that gets big contracts from the Defense Department and then doesn't perform.

Bunnatine Greenhouse is a woman who rose to become the highest ranking civilian official in the Corps of Engineers in charge of all the contracting, the highest ranking civilian official who always got great reviews on her performance evaluations, until the point when the Pentagon decided to award a massive no-bid, sole-source contract to Halliburton's subsidiary called RIO, Restore Iraqi Oil. She protested that this was done in violation of proper contracting procedures. She was appalled when Halliburton was found by auditors to have overcharged nearly double for fuel purchases. And then the Defense Department, the folks in charge of that, instead of being concerned about it, rushed to provide the company with a waiver. This waiver was provided without the approval of the contracting officer who was responsible, Ms. Greenhouse. She was kept in the dark about that decision. She learned about the waiver when she read it in the newspaper.

When she did speak up, she was bypassed, ignored, and ultimately forced to resign or face demotion. Here is what she has said publicly, the highest ranking civilian official in the Corps of Engineers who blew the whistle on the good old boys network for contracts awarded, she felt, improperly:

I can unequivocally state that the abuse related to contracts awarded to KBR represents the most blatant and improper contract abuse I have witnessed during the course of my professional career.

For saying this, this woman was demoted. She lost the job she had for being honest. And she, by all accounts, was a top-notch contracting official. So this 20-year contracting official, responsible for all this, was ignored and then demoted when she was critical of people whom she felt were violating the rules. What happened then to fill her job? The Corps of Engineers decided to replace her with a Pentagon official who had 40 years of Government experience but none of it in Government contracting. At a hearing of the Senate Energy Committee, General Strock admitted the person who replaced Ms. Greenhouse was not certified as an acquisition professional. He stated that Ms. Riley required a waiver in order to apply for her new position. Ms. Riley has now "gone to school" and has been brought up to speed about what she needs to know as a contract official. Sound familiar? It does to me. It is happening all too often.

Let's take a look at what I found in some of the hearings. Yes, it is about

Halliburton because they are the biggest contractor, but it is about other companies as well. An \$85,000 brand new truck abandoned beside the road because they had a flat tire in an area where there were no hostilities at all, but they didn't have the right wrench to fix it; \$85,000 brand new truck abandoned because they had a plugged fuel pump. It didn't matter. With a cost-plus contract, the American taxpayers pick up the tab. A case of Coca-Cola, \$45. Gasoline was delivered by Halliburton for twice the cost that the internal part of the Defense Department said they could have provided it for. Halliburton charged 42,000 meals a day, when they were delivering 14,000 meals, overcharging by 28,000 soldiers a day. They leased SUVs for \$7,500 a month.

Halliburton supplied troops with hand towels and the person who ordered the hand towels was in Kuwait. He came to a hearing I held. He said he was ordered to purchase towels that were nearly three times more expensive than regular towels. Why? Because the company, KBR, wanted their name embroidered on the towels used by the troops. Their attitude was, the American taxpayer pays for it; it doesn't matter, it's cost plus, don't worry about cost.

It is unbelievable when you see what has happened with some of this contracting. We heard from Rory Mayberry, former food production manager. He also was at KBR. He said:

Food items were being brought into the base that were stamped expired or outdated by as much as a year. We were told by KBR food service managers, use the items anyway. The food was fed to the troops. For trucks that were hit by convoy fire and bombings, we were told to go into the trucks, remove the food items, and use them after removing the bullets and any shrapnel from the bad food that was hit. We were told, by the way, to turn the removed bullets over to the managers for souvenirs.

How about water? Contaminated water, more contaminated than raw water taken from the Euphrates River, delivered as non-potable water to our troops to shower, shave, and so on, more contaminated than raw water from the Euphrates River. Halliburton says it never happened. I have an internal Halliburton report that says it did happen, and they nearly missed having a catastrophe of mass sickness or death. I also have an e-mail sent to my by a captain, a young physician serving in Iraq. She said: I read in the newspaper about your hearing. What you alleged is exactly what is happening at our base.

Let me describe a couple of those. This is an internal Halliburton report written by the top water quality manager Wil Granger, May 13, 2005:

No disinfection of non-potable water was occurring [at camp Ar Ramadi] for water designated for showering purposes. This caused an unknown population to be exposed to potentially harmful water for an undetermined amount of time.

It didn't just happen at Ar Ramadi. It happened at every base in Iraq.

The deficiencies of the camp where the event occurred is not exclusive to that camp; meaning that countrywide all camps suffered to some extent for all or some of the same deficiencies noted.

This is from an internal Halliburton report written by the top water quality person at Halliburton. These are contracts we pay for. We pay a company to provide water to the military installations that now exist in Iraq. Who is accountable for having water sent to our troops, non-potable water that is more contaminated than water in the Euphrates River?

CPT Michelle Callahan, who is currently serving in Iraq—at least she was when she sent me an e-mail—found exactly the same cases of bacterial infections among the troops, traced the problem back to contaminated water that KBR was not treating properly. She had one of her officers follow the lines to find out where that water came from and why. So water to the troops, that is a health issue. Food to the troops, that is a health issue.

Two guys show up in Iraq—one's name is Custer, and the other is Battles—with not much experience and no money. But they understand you can make a lot of money in Iraq, American money. So they started a company. Within 2½ years, my understanding is, they have had contracts of over \$100 million. They got into trouble. It has been in the courts. Among other things alleged, they took forklift trucks from the Baghdad airport, moved them to a warehouse, repainted them blue and sold them back to the Coalition Provisional Authority, which was us. This company got a contract for security at the Baghdad airport. Let me show you what the director of security at the airport said about Custer Battles:

Custer Battles have shown themselves to be unresponsive, uncooperative, incompetent, deceitful, manipulative and war profiteers. Other than that, they are swell fellows.

Once again, who is accountable for the amount of money we are spending for these kind of contractors?

How about the Iraqi physician, a doctor from Iraq who came to testify at my policy committee hearing. We spent a couple hundred million dollars on the Parsons Corporation to rehabilitate 142 health clinics in Iraq. This Iraqi doctor went to the Iraqi Health Minister and said: I want to see these rehabilitated health clinics. Because he knew the money had all been spent. An American contractor got the money to do it, and it was gone.

He said: I want to see these 142 rehabilitated health clinics for the people of Iraq. The Iraqi Health Minister said: You don't understand. Most of these are imaginary clinics. The money is gone, but apparently the clinics don't exist.

Does that bother anybody? Is there any accountability for that? Seems to me there ought to be accountability for something like that.

I held hearings not just on contracting in Iraq, which I found to be a

cesspool of unbelievable problems, but hearings with respect to contracting to deal with the problems of Hurricane Katrina. I wish to show you a picture of a man named Paul Mullinax. I sat in a grocery store parking lot one Sunday morning talking to Paul on the phone, asking if he would come to testify at a hearing. He wasn't anxious to do it, but he finally did. This is Paul Mullinax. This is his truck, an 18-wheel truck. Let me tell you the story Paul told.

Hurricane Katrina hit. And one of the things that was necessary to be provided to the victims of the hurricane was ice. So Paul was contracted by FEMA to pick up ice. He drove his truck from Florida to New York to pick up a load of ice. Then he was told he should take that ice to Carthage, MO. He went to Carthage with his truck and his refrigerated container full of ice. When he got to Carthage, he was told he should proceed to Maxwell Air Force Base in Montgomery, AL. When he got to Montgomery, he discovered there were over 100 trucks sitting there, refrigerated trucks there with ice. So for the next 12 days, this was Paul's life. There were victims of the hurricane waiting for relief, waiting for the cargo in his truck. For 12 days, he sat in front of this truck waiting. He finally said to them: If you are not going to tell me where to go or let me do this, I am going to go on my own and drop off the ice to some people who need it. They said: You can't do that. He said: I had no idea when I parked the truck I would be there for the next 12 days, my refrigerator unit running the entire time. Each truck cost the American taxpayer \$6 to \$900 a day.

You can see him sitting here with a cooler and a little girl for nearly 2 weeks waiting. Finally, he was told: You should take your ice to Massachusetts. So this man from Florida, who to New York to pick up ice, went to Missouri and then went to Alabama and then waited, then was told to take the truck to Massachusetts. Unbelievable. What was the American taxpayers' role in this, \$15,000. It cost \$15,000 for this incompetence.

Why does all of this happen? It happens because in this case with FEMA, a bunch of cronies were put in place to run the place. Were they qualified people? No. Most of them had political connections. They didn't have any emergency or disaster preparedness experience. That is what happens.

Who is accountable for that? Who ultimately is going to be accountable? How can we restore accountability? I have described a few of the problems. I have described a very few of the problems. The problems are unbelievable. I think it is the most significant waste, fraud, and abuse, perhaps, in the history of this country, billions and billions of dollars with no one accountable. At the hearings last week, the answer was: It is wartime. So we distribute cash from the back of a pickup truck. We say it is the Wild West, bring a bag. We pay in cash.

And it is wartime. I don't understand that. I have tried to find out who was responsible for having a Florida trucker pick up ice from New York to take to the victims of Katrina in the Gulf of Mexico and have the ice dropped off in Massachusetts, and we get stuck with \$15,000, and the victims of the hurricane get nothing. But there is no accountability for anything.

So we will be introducing legislation, with 23 cosponsors later, this week. It is going to punish war profiteers—and, yes, there has been rampant profiteering going on. There will be substantial punishments for war profiteers. This antiprofitteering provision is based on a piece of legislation that Senator LEAHY introduced, and that was included in our contract and reform bill.

Our bill will also restore a Clinton administration rule on suspension and disbarment, which prohibits awarding Federal contracts to companies that exhibited a pattern of failing to comply with the law. That provision, by the way, was done away with by the current administration.

It seems to me it is time to say that you only get one chance, and if you cheat us, no more contracts. This notion of a slap on the wrist and a pat on the back is over. There was a time when exactly the same company had been in Federal court in Alexandria, VA, with allegations of fraud against the American taxpayer against that company; and on the same day, they were signing a new acquisition contract with the Department of Defense. That ought to never happen again.

We ought to crack down on contract cheaters. We ought to force real contract competition. When somebody such as Bunnatine Greenhouse speaks up and says "this is the most blatant abuse in contracting I have seen in my career," that ought not to be a cause for penalty. This woman risked her career and we are still trying to get to the bottom of who is accountable for her demotion. She was given a choice of being fired or demoted because she spoke out against contract fraud and abuse.

We think we need to strengthen whistleblower protection. We think it is important to have full disclosure of contract abuses and to restore the provision that says if there is a pattern of abuse, you don't get to engage in contracting anymore with the Federal Government.

This is very simple. I come from a small town, a town of slightly less than 300 people. There is a very simple code in towns such as that. If you are a business man or woman on Main Street and someone cheats you, you don't do business with them again. That is simple. That is a lesson apparently lost on a behemoth Federal Government.

The contracting provisions we will introduce are common sense, and this Congress ought to adopt them quickly. There will be a substantial number of cosponsors in support of the legislation that is filled with common sense, at

the very time that we have witnessed the most significant waste, fraud, and abuse in this country's history. Accountability? What about accountability for what happened? What about accountability for what is about to happen? We are still spending a lot of money. We will have \$100 billion requested of us and another \$150 billion to replenish accounts, much of it through contracts. We say with this piece of legislation that it is long past the time for this Government to be accountable to the taxpayer and accountable to the citizens of the United States.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from Tennessee is recognized.

Mr. ALEXANDER. Mr. President, I ask unanimous consent to speak for up to 15 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEAD START REAUTHORIZATION

Mr. ALEXANDER. Mr. President, later this afternoon, several of us will be introducing legislation to reauthorize Head Start. Senator KENNEDY, Senator ENZI, Senator DODD, and myself will be the cosponsors of the legislation. We have been working on it for a long time, all through the last Congress. We have heard from lots of parents, children, and Head Start operators. I wish to talk about that.

The Head Start program is an enormously popular and successful Federal initiative. It began in the 1960s when Lyndon Johnson was President of the United States. In fact, I have always thought it was a part of the story of the American dream that President Johnson went back to Cotulla, TX, near the Mexican border, where he taught first grade, to announce the Head Start program. It exemplifies one of the great principles of what it means to be an American—that we believe in equal opportunity. For that President of the United States to go back to where he was a first grade teacher reminds us that other children could succeed, as he did, in becoming President.

Today, Head Start has grown to a nearly \$7 billion Federal program. That amount was spent last year. It served 900,000 children. In my State of Tennessee, 20,000 students or so were served. The funding was \$118 million for Tennessee. This is a program that touches a lot of people. It deserves the Senate's attention, and it has had the Senate's attention.

During the last Congress, I made clear, as did several other Senators, that we want to see Head Start serve more children. But first, we wanted to make sure the program is accountable, financially solvent, and meeting the purpose for which it was formed. President Bush, in his message to Congress, said much the same thing 2 years ago. "Great program," he said. "But let's make it more accountable. Let's recognize that now we expect children to

learn more and be able to do more before they arrive at school." The President said we want to get the States more involved, which was a good suggestion because when Head Start was founded, it was almost the only program to help preschool children. Today, while it is a large \$7 billion program, there are \$21 billion more in Federal dollars being spent to help preschool children in one way or the other, and there are a great many State and local programs that are Head Start or preschool programs.

The President's objective, as was ours, was to find a way to make all of these programs work well together. We listened carefully and I believe, as Senators KENNEDY, ENZI, and DODD believe, we have made significant improvements to the bill.

For example, the bill will establish 200 new Centers of Excellence that will serve as model Head Start programs across the country. The Governors will be involved in this. Hopefully, we can learn over the next 5 years from the States how, from these models, we can put together State efforts, local efforts, Federal efforts, and Federal Head Start efforts in a more efficient way to help children who are of preschool age.

Second, our legislation requires grant recipients to recompute for new grants every 5 years to help ensure a constant high level of quality.

Third, we clearly define what we mean by deficiency. We don't aim to catch people doing things wrong; we would rather catch them doing things right. When there are things that are wrong, the Head Start providers deserve to know what the standards are so they can make sure they meet them.

Fourth, this legislation provides clear authority to the governing boards to administer, and be held accountable for, local Head Start programs while ensuring that policy councils on which parents sit continue to play a crucial and important role.

Finally, as I mentioned earlier, this legislation continues to encourage State standards especially that cause there to be more cognitive learning, more emphasis on what children should be able to know and be able to do before they get to first grade—make sure they are ready to learn.

Americans uniquely believe that each of us has the right to begin at the same starting line and that, if we do, anything is possible for any one of us. We also understand that some of us need help getting to that starting line. Most Federal funding for social programs is based upon an understanding of equal opportunity in that way.

Again, Head Start began in 1965 to make it more likely that disadvantaged children would successfully arrive at one of the most important of our starting lines—the beginning of school. Head Start, over the years, has served hundreds of thousands of our most at-risk children. The program has grown and changed, been subjected to debate; but it has stood the test of